

Review of Hanoi Industrial Clusters – And Regulations in Constructing and Planning Industrial Clusters

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ABSTRACT

After many years of establishment, the construction of CCN (industrial clusters) in Hanoi city has made contributions to infrastructures for economic. The city attaches great importance to investment and planning. The city soon has a plan, orientation, plan and determination to rapidly develop the industry in order to transform the economic structure towards industrialization and modernization. The city has identified industrial development and industrial infrastructure development as an important task in the strategy and plan for socio-economic development, industrial development as well as rural development. The planning and construction of industrial zones has created excitement and confidence of production households and businesses in Hanoi's economic development policy. The biggest difficulty is that the production ground is gradually solved with the active support of local authorities. Production households have actively invested in developing industries and expanding production scale.

Keywords: Infrastructures, Hanoi city, Industrial cluster, Regulations.

1. Introduction

Industrial cluster development in Hanoi city and other cities will need to follow relevant regulations. According to Decree 68/2018/ND-CP on IC:

Article 5. Industrial cluster development planning

1. Basis for formulation of industrial cluster development planning:

- (a) Socio-economic development planning; Industrial and handicraft development planning; Land use planning; Construction planning and planning of other related industries, products and fields in the locality;
- (b) The demand for ground space to attract and relocate organizations and individuals to invest in production and business in the industrial cluster;
- (c) Ability to mobilize investment capital sources of enterprises, the State and other lawful capital sources for investment in building a system of technical infrastructure works of industrial clusters in the locality.

2. Contents of industrial cluster development planning:

- (a) Legal grounds and necessity for planning;
- (b) Assess and anticipate the development needs of industries, occupations, handicrafts and factors affecting the development of industrial clusters; demand for premises of organizations and individuals investing in industrial clusters;
- (c) Assessment of the current status and progress of planning, investment in the construction of technical infrastructure, investment attraction, occupancy rate, and operational efficiency of each industrial cluster; aspects of gain, existence and cause;

(d1) Orientation for distribution and development of industrial clusters, justification for planning each industrial cluster (including: Name, location, area, and current land status on the principle of restricting the use of planned land for rice cultivation. , business lines, technical infrastructure investment progress, ability to connect technical infrastructure outside the industrial cluster; demand for land lease and sublease of the industrial cluster and advantages and disadvantages);

(d2) Assessment of the current environmental status and environmental management of established industrial clusters in the area; forecast impacts, measures to deal with the environment of industrial clusters to be planned;

(e) Estimated total investment in construction of technical infrastructure of industrial clusters; solutions on mechanisms, policies, the ability to mobilize investment capital sources; the plan for organizing the implementation of the planning;

(f) Proposed planning list of industrial clusters according to the options; select an option and show it on the planning map (including: Name, location, area, industry, expected total investment in technical infrastructure, planning stage).

3. Funds for formulation of industrial cluster development planning shall be covered by local budgets and comply with current regulations.

4. The planning on development of industrial clusters in the province is made for each 10-year period, taking into account the prospects for the next 10 years, and announced no later than 30 days after the approval decision is issued.

Bozkho et al. (2021) studied the possibility of merging clusters and special economic zones was evaluated, the role of clusters in the development of territories was outlined. The empirical basis of the analysis was the results of the study conducted in the framework of the research "Improvement of the policy of state regulation of accelerated clustering of industrial regions", carried out under the grant funding by the Ministry of Education and Science of the Republic of Kazakhstan. DTN Huy (2015) pointed stronger governance needed with mechanism and confirmed by (PM Dat et al., 2020; TTH Ha et al., 2019). Nguyen Dinh Trung, Ta Van Thanh, Dinh Tran Ngoc Huy Le Huong Hoa, Le Ngoc Nuong (2022) stated For developing industrial clusters we need many combined policy: development of firm hubs, policies and regulations, investment encouragement, FDI and ODA, etc., and roles of bank sector as well. Many localities have faced difficulties and embarrassment in converting the state-invested industrial cluster model to enterprises acting as investors in construction and infrastructure business to handle previous problems.

2. Method

In this paper, various research methods such as synthetical method, statistical method, legal analysis method, case study, comparative method, etc., are used to clarify issues relating to policies on CCN. Based on results of analysis and assessment of the current situation, the paper proposes recommendations for organizations.

3. Discussions

Background Information

Industrial parks and industrial spots have a close relationship with industrial clusters (CCN) because they are all territorial forms of production organization and in general they are similar in purpose and operation content, only

different in level and level. develop. According to Decree No. 29/2008/ND - CP dated March 14, 2008 of the Government, "an industrial park is an area specializing in the production of industrial goods and the provision of services for industrial production, with geographical boundaries determined" [27, Article 2] established under a decision of the Government or the Prime Minister. Industrial parks usually have an area of over 100 hectares.

Thus, unlike concentrated industrial zones, CCN has a smaller scale (usually less than 50 hectares), lower standards of infrastructure and environmental treatment. CCN is established by decision of Provincial/City People's Committee while IP is established by Prime Minister's decision. The establishment of an Industrial Park is to attract industrial production enterprises both at home and abroad at all levels, while the purpose of establishing a CCN is to relocate, arrange and attract production facilities. production, small and medium enterprises, individuals and local households to invest in production and business.

The industrial site has a small scale (usually less than 10 ha) and does not meet the conditions like CCN, but in essence it is also a low-level expression of CCN. An industrial site is "a place where production and services are concentrated in service of production by local business establishments (households, individuals, groups, cooperative groups, cooperatives) and in the case of specifically, there may be a number of small-scale enterprises in that locality that have lines of business suitable to the objectives of the industrial-small trade site; separate from residential areas, there is a system of common technical infrastructure works built synchronously, fully ensuring conditions for convenient, safe and sustainable production. Industrial and commercial centers are mainly located in the area of a commune (ward, township), decided by the district-level People's Committee after having approved the policy of the provincial People's Committee". Unlike industrial sites, CCNs usually have a scale of over 10 hectares and may be located in two or more communes (wards and townships) and established by decision of the People's Committees of provinces and centrally run cities.

Due to the unique characteristics of Hanoi, the City issued Decision 44/2010/QĐ-UBND dated September 10, 2010 on regulations on management of industrial parks in the City. This decision has clearly indicated that there are two types of industrial zones in Hanoi, namely CCN and CCN:

- An industrial cluster is a place where industrial production and industrial services are concentrated; has definite geographical boundaries, has separate fences, and is uninhabited; has a system of common technical infrastructure built synchronously, fully ensuring conditions for convenient, safe and sustainable production and business. An industrial cluster with a maximum scale of not more than 50 hectares (in case of maximum expansion not exceeding 75 hectares) established by the City People's Committee may be invested and built to mainly attract small and medium-sized enterprises; individuals and households producing in craft villages; relocate production facilities that do not conform to planning, cause environmental pollution in residential areas to invest in production and business [66, Article 2].

- Craft village industrial cluster is an industrial cluster invested and built to serve the needs of production establishments in craft villages to expand production premises (trade village enterprises, cooperatives, production households), develop trades and craft villages, overcome environmental pollution in craft villages [66, article 2].

From the above definitions and interpretations, the author will follow the point of view of Hanoi City to analyze and evaluate CCN in this study.

Concept and role of industrial cluster infrastructure

The English word Infrastructure is directly composed of two words: i) Infra below, the lower part is also called infrastructure and ii) structure means structure, structure) is translated as infrastructure or infrastructure. Some authors define: “Infrastructure or infrastructure is a general concept to refer to roads, railways, hospitals, schools, irrigation systems, water supply, etc., accumulated from central and local state investments. This concept also includes intangible assets such as capital and human resources, i.e. investments in workforce training. Infrastructure plays an important role in achieving high rates of economic growth and raising the overall standard of living of a country.” According to this concept, infrastructure is seen as sectors and fields of the national economy, not only the material and technical conditions (building systems) created. established to ensure socio-economic development, but also has the human, financial, management and training factors and conditions to create and the material and technical conditions and operate them to serve as the foundation for economic and social activities.

Thus, it can be understood that the infrastructure/infrastructure is a specific part of the material and technical infrastructure in the national economy whose basic function and task is to ensure the necessary general conditions for the economic development. The extended production and reproduction process is normal and continuous. Infrastructure/infrastructure is also defined as the totality of physical, technical and architectural facilities that play a fundamental role for socio-economic activities to take place normally.

Regulations in constructing and planning industrial clusters

According to Decree (doc) 68/2017/ND-CP:

Article 2. Interpretation of terms

In this Decree, the following terms are construed as follows:

1. An industrial cluster is a place of production and provision of services for industrial production and handicrafts, with definite geographical boundaries, no inhabitant, invested and built in order to attract, relocate small and medium enterprises, cooperatives and cooperative groups to invest in production and business.

The industrial cluster has an area not exceeding 75 ha and not less than 10 ha. Particularly for industrial clusters in mountainous districts and industrial clusters in craft villages with an area not above 75 ha and not less than 5 ha.

2. Craft village industrial cluster means an industrial cluster serving the relocation and expansion of production and business activities of small and medium-sized enterprises, cooperatives, cooperative groups, household and individual production establishments in the village. occupations in order to overcome environmental pollution, develop professions and craft villages in the locality.

3. Investors in construction of technical infrastructure of industrial clusters are enterprises, cooperatives and units established and operating in accordance with Vietnamese law, investing in construction, management and exploitation. system of technical infrastructure works for industrial clusters.

4. District-level industrial cluster development center is a non-business economic unit with revenue directly under the district-level People's Committee, which has been established under the Regulation on management of

industrial clusters promulgated together with Decision No. 105/ 2009/QĐ-TTg dated August 19, 2009 of the Prime Minister.

5. The district-level industrial cluster management board is a unit directly under the district-level People's Committee, established by decision of the district-level People's Committee to assign or authorize the investor to build the cluster's technical infrastructure. industry in the area.

6. The system of general technical infrastructure works of the industrial cluster includes the system of internal traffic works, sidewalks, trees, water supply, drainage, wastewater treatment, solid waste, and electricity supply. , public lighting, internal communication, operator, security and other works serving the operation of the industrial cluster.

7. Organizations and individuals investing in production and business in industrial clusters, including enterprises, cooperatives and cooperative groups established in accordance with Vietnamese law; individuals and households (for industrial clusters and craft villages) have business registration in accordance with the law.

8. Industrial land area is the land area of an industrial cluster that can be leased or sub-leased to enterprises to carry out production and business, as determined in the detailed planning approved by a competent authority.

9. Area for construction of a system of common technical infrastructure works of an industrial cluster is the land area of an industrial cluster for the construction of a system of common technical infrastructure works, determined in the detailed planning. approved by the competent authority.

10. The occupancy rate of an industrial cluster is the percentage of the industrial land area that has been leased or sub-leased to organizations and individuals for production and business over the total industrial land area of the industrial cluster.

11. Industrial cluster development planning is a system of objectives, orientations, solutions and mechanisms and policies for industrial cluster development in the province in a given period in order to distribute and develop the network. rational network of industrial clusters on the basis of economical and efficient use of local resources and resources.

Article 3. *Fields, industries, trades, production and business establishments encouraged to invest in and relocate to industrial clusters*

1. Fields, industries, trades, production and business establishments encouraged to invest in or relocate to industrial clusters:

(a) Polluting or potentially polluting production and business establishments in craft villages, residential areas, urban centers and other production establishments need to be relocated to industrial clusters;

(b) Producing products and spare parts, assembling and repairing machinery and equipment in service of agricultural and rural production;

(c) Producing supporting industry products on the list of supporting industry products prioritized for development promulgated by the Government;

- (d1) Producing consumer products, using local materials and local labor;
- (d2) The industries, trades and products may be strong of the locality, region and other fields, branches and trades in accordance with the local industrial and handicraft development planning;
- (e) Agriculture, forestry and fishery processing industry.

2. Organizations and individuals investing in production and business in industrial clusters in the fields, sectors, trades, production and business establishments are encouraged to invest in and relocate to the industrial clusters specified in Clause 1 of this Article. This is prioritized to consider incentives and investment support.

Article 4. Database of industrial clusters

Industrial cluster database includes information on planning, establishment, investment in construction of technical infrastructure and operation of industrial clusters in the province and the whole country.



Fig.1. Constructing clusters (source: internet)

4. Recommendations

Based on analysis of CCN (current situation), we would like to propose recommendations on cluster development as follows:

First, supplementing regulations on guiding and assisting in handling administrative procedures related to the implementation of infrastructure construction investment projects and production and business projects in the CCN.

Second, defined administrative procedures related to the implementation of investment projects on construction of CCN infrastructure and production investment projects in CCN according to the provisions of specialized laws. On that basis, assign a focal point to guide documents and administrative procedures in order to create favorable conditions for enterprises to carry out administrative procedures (such as investment, land, business registration, licensing, etc.). construction permits, environmental protection, etc.).

5. Conclusions

Beside, authors would suggest the State and the related governmental organizations:

The Department of Industry and Trade assumes the prime responsibility for proposing and organizing the implementation of mechanisms, policies and regulations related to the construction and development of industrial zones; Approving the management charter; Organizing the selection of investors to build and trade CCN technical infrastructure; Carry out inspection, supervision, assessment and report on the operation of CCNs in the city.

The Department of Planning and Investment shall assume the prime responsibility for, and coordinate with the Department of Industry and Trade in, organizing the reception and registration of investment in industrial parks; Carrying out the appraisal of the results of selection of investment in construction and business of CCN infrastructure.

The Department of Finance shall assume the prime responsibility for organizing the appraisal and approval of the cost of using public services and facilities of the CCN; To assume the prime responsibility for determining investment rates for infrastructure of industrial parks using state budget capital; Determination of land rent and land use levy in CCNs.

The Department of Planning and Architecture shall assume the prime responsibility for, and provide guidance on, the order and procedures for formulating, appraising and approving detailed planning of CCNs.

The Department of Construction performs the state management of construction for shared technical infrastructure works and production and business construction works in industrial parks.

The Department of Natural Resources and Environment shall guide the order and procedures for land recovery, land allocation, land lease, and grant of land use right certificates; State management of the environment in industrial zones.

Finally, roles of banks need to be enhanced confirmed by (Hac LD et al., 2021; DTN Huy et al., 2021; N Thi Hang et al., 2021; Thach NN et al., 2021).

Declarations

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Consent for publication

The authors declare that they consented to the publication of this research work.

Authors' Contributions

All authors equally contributed to research and paper drafting.

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